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South Africa, Republic of

Canned Deciduous Fruit

Annual

2005

Approved by:

Rachel Bickford
U.S. Embassy

Prepared by:

Patricia Mabiletsa

Report Highlights:

South Africa's total fresh fruit deliveries to canners are expected to decrease by 11% to 251,902 MT because of drought in the deciduous fruit growing areas. Exports are forecast to decrease by 3% because of lower fresh fruit deliveries for canning. Domestic consumption is expected to decrease by 21% as exports are prioritized over the domestic market. Imports will continue at significantly low levels because of reduced local demand for canned fruit products.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
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[SF]

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Executive Summary

South Africa's total canned fruit production is expected to reach about 172,000 MT in 2004/2005, a 13% decrease from 197,000 MT of last year because of lower fresh fruit deliveries for canning. Total deciduous fruit deliveries for canned processing are expected to decrease by 11% to amount to 251,902 MT in 2005. Lower intakes resulted from reduced total production because of severe drought in the deciduous fruit growing areas. Heat, wind and non-seasonal rains also negatively impacted the crop. Fresh fruit deliveries for canned apricots are expected to decrease by 43%, canned fruit mixtures by 11%, while canned peaches and pears will be 2% lower than in 2004.

In February 18, 2005, the government gazette published a new regulation relating to the grading, packing and marking of canned fruit intended for local sale. The new rule is regulated under the Agricultural Product Standard Act of 1990. Imported canned food products should also comply with the new legislation.

Production

Drought in the Western Cape reduced the 2004/2005 deciduous fruit production. It is reported that the main supply dams and farm dam levels are the lowest since 1999 and significant rain in the near future is unlikely. As a result, this year's crop will be lower, as illustrated by the table below:

| Total Deciduous Fruit Production | | | | |
|----------------------------------|-----------------------|----------------|-----------------------|--------------------|
| Fruit Type | 2003/2004 (Jan-Dec) | | 2004/2005 (Jan-Dec) | |
| | October '04 Estimates | Latest Actuals | October '04 Estimates | Current Estimates* |
| Royal Apricots | 15,000 | 16,169 | 13,750 | 13,700 |
| Bulida Apricots | 46,000 | 60,787 | 39,000 | 34,691 |
| Clingstone Peaches | 162,000 | 158,639 | 166,000 | 159,064 |
| Bon Chretien Pears | 91,000 | 90,878 | 85,000 | 82,447 |
| Other Pears | 27,000 | 27,393 | 30,000 | 30,000 |
| Total Deciduous Fruit | 341,000 | 353,866 | 333,750 | 319,902 |

Source: Canning Fruit Producers' Association

The reduction in total deciduous fruit production is expected to directly influence the amount of fresh fruit deliveries for canning, juice and jam processors as the table below indicates:

| Total Fresh Deliveries to the Canning Processors | | |
|--|---------------------|---------------------|
| Fruit Type | 2003/2004 (Jan-Dec) | 2004/2005 (Jan-Dec) |
| | Latest Actuals | Current Estimates* |
| Royal Apricots | 169 | 200 |
| Bulida Apricots | 58,587 | 33,191 |
| Clingstone Peaches | 136,639 | 134,064 |
| Bon Chretien Pears | 58,993 | 54,447 |
| Other Pears | 27,393 | 30,000 |
| Total Deciduous Fruit deliveries | 281,781 | 251,902 |

Source: Canning Fruit Producers' Association

South Africa's total deciduous fruit deliveries for canning in 2004/2005 are expected to decrease by 11% to amount to 251,902 MT in 2005 because of a drought. Canned Apricots are expected to decrease by 43%, canned fruit mixtures by 11%, while canned peaches and pears will be 2% lower than in 2004.

Total canned fruit production for CY 2005 is expected to reach about 172,000 MT because of lower fresh fruit deliveries for canning. Canned fruit production is forecast to drop by 2% for peaches, by 2% for pears, massively by 43% for apricots, and by 11% for mixed fruit.

Production Subcategory

| South Africa, Republic of Peaches, Canned | | | | | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | 2002 | Revised | 2003 | Estimate | 2004 | Forecast | UOM |
| | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | |
| Market Year Begin | | 01/2003 | | 01/2004 | | 01/2005 | MM/YYYY |
| Deliv. To Processors | 154508 | 154508 | 136640 | 136640 | 127000 | 134064 | (MT) |
| Beginning Stocks | 18182 | 30912 | 13212 | 20634 | 9862 | 7294 | (MT, Net Weight) |
| Production | 98885 | 99887 | 86230 | 87400 | 62000 | 85800 | (MT, Net Weight) |
| Imports | 117 | 3 | 100 | 482 | 100 | 500 | (MT, Net Weight) |
| TOTAL SUPPLY | 117184 | 130802 | 99542 | 108516 | 71962 | 93594 | (MT, Net Weight) |
| Exports | 77168 | 77168 | 66400 | 70522 | 40062 | 66000 | (MT, Net Weight) |
| Domestic Consumption | 26804 | 33000 | 23280 | 30700 | 24900 | 22000 | (MT, Net Weight) |
| Ending Stocks | 13212 | 20634 | 9862 | 7294 | 7000 | 5594 | (MT, Net Weight) |
| TOTAL DISTRIBUTION | 117184 | 130802 | 99542 | 108516 | 71962 | 93594 | (MT, Net Weight) |

| South Africa, Republic of Pears, Canned | | | | | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | 2002 | Revised | 2003 | Estimate | 2004 | Forecast | UOM |
| | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | |
| Market Year Begin | | 01/2003 | | 01/2004 | | 01/2005 | MM/YYYY |
| Deliv. To Processors | 98254 | 93254 | 88135 | 86386 | 93000 | 84447 | (MT) |
| Beginning Stocks | 2500 | 1079 | 2813 | 1392 | 3353 | 2100 | (MT, Net Weight) |
| Production | 32420 | 32420 | 29000 | 28400 | 30700 | 27800 | (MT, Net Weight) |
| Imports | 8 | 8 | 20 | 21 | 20 | 20 | (MT, Net Weight) |
| TOTAL SUPPLY | 34928 | 33507 | 31833 | 29813 | 34073 | 29920 | (MT, Net Weight) |
| Exports | 29465 | 29465 | 26100 | 25333 | 27700 | 25000 | (MT, Net Weight) |
| Domestic Consumption | 2650 | 2650 | 2380 | 2380 | 2500 | 2500 | (MT, Net Weight) |
| Ending Stocks | 2813 | 1392 | 3353 | 2100 | 3873 | 2420 | (MT, Net Weight) |
| TOTAL DISTRIBUTION | 34928 | 33507 | 31833 | 29813 | 34073 | 29920 | (MT, Net Weight) |

| South Africa, Republic of Canned Apricots | | | | | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | 2002 | Revised | 2003 | Estimate | 2004 | Forecast | UOM |
| | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | |
| Market Year Begin | | 01/2003 | | 01/2004 | | 01/2005 | MM/YYYY |
| Deliv. To Processors | 36994 | 36994 | 60867 | 58756 | 0 | 33391 | (MT) |
| Beginning Stocks | 8442 | 13022 | 8743 | 11414 | 10393 | 22840 | (MT, Net Weight) |
| Production | 28573 | 29145 | 46870 | 45200 | 0 | 25700 | (MT, Net Weight) |
| Imports | 44 | 43 | 20 | 29 | 0 | 20 | (MT, Net Weight) |
| TOTAL SUPPLY | 37059 | 42210 | 55633 | 56643 | 10393 | 48560 | (MT, Net Weight) |
| Exports | 23596 | 23596 | 37500 | 26103 | 0 | 26600 | (MT, Net Weight) |
| Domestic Consumption | 4720 | 7200 | 7740 | 7700 | 0 | 7700 | (MT, Net Weight) |
| Ending Stocks | 8743 | 11414 | 10393 | 22840 | 0 | 14260 | (MT, Net Weight) |
| TOTAL DISTRIBUTION | 37059 | 42210 | 55633 | 56643 | 0 | 48560 | (MT, Net Weight) |

| South Africa, Republic of Canned Mixtures | | | | | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | 2002 | Revised | 2003 | Estimate | 2004 | Forecast | UOM |
| | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | USDA Official [Old] | Post Estimate [New] | |
| Market Year Begin | | 01/2003 | | 01/2004 | | 01/2005 | MM/YYYY |
| Deliv. To Processors | 289756 | 284756 | 283735 | 281782 | 286700 | 251902 | (MT) |
| Beginning Stocks | 11071 | 11071 | 9128 | 8028 | 7868 | 8045 | (MT, Net Weight) |
| Production | 37289 | 37018 | 36890 | 36600 | 37000 | 32700 | (MT, Net Weight) |
| Imports | 115 | 115 | 150 | 113 | 130 | 130 | (MT, Net Weight) |
| TOTAL SUPPLY | 48475 | 48204 | 46168 | 44741 | 44998 | 40875 | (MT, Net Weight) |
| Exports | 35247 | 35247 | 34300 | 31376 | 34700 | 30700 | (MT, Net Weight) |
| Domestic Consumption | 4100 | 4929 | 4000 | 5320 | 4000 | 4200 | (MT, Net Weight) |
| Ending Stocks | 9128 | 8028 | 7868 | 8045 | 6298 | 5975 | (MT, Net Weight) |
| TOTAL DISTRIBUTION | 48475 | 48204 | 46168 | 44741 | 44998 | 40875 | (MT, Net Weight) |

Consumption

South Africa's CY 2005 canned fruit domestic consumption is expected to decrease by 21% because of less production and more exports.

Trade

Total canned fruit exports for CY 2005 are expected to decrease by 3% to 148,000 MT because of lower production. In 2004, exports totaled 153,334 MT. Total exports amounted to 4,792 MT in January 2005, and are detailed below:

PEACHES

Japan, still the leading export destination for South African canned peaches even though imports of 675 MT were down 40% compared to last year. Exports to other destinations increased massively from same period last year by 259% from 168 MT to the UK; by 302% from 139 MT to Canada; and by 296% from 139 MT to South Korea. Exports to the U.S. decreased by 94% to 16.7 MT the same period this year. Total canned peach exports reached about 4,980 MT in January 2005, an increase of 47% from last year.

PEARS

In January 2005, the United Kingdom remained the leading export destination for South Africa's canned pears, with a total 591 MT, a 323% increase from the same period last year. South Africa increased its exports massively to Canada (521%) and Germany (319%). Australia received shipments totaled at 264 MT in January this year, the first time in the past three years. The U.S. imported a 51% fewer South African canned pears from 177 MT last year. Total canned pears export reached 2,321 MT, an increase of 121% from last year same period.

APRICOTS

South Africa's total canned apricots exported in January 2005 amounted to 1,720 MT. Of the total, a large proportion of consignments were destined to Germany (657 MT), followed by the United Kingdom (259 MT), Australia (213 MT) and Japan (178 MT). The U.S. received 36.7 MT of the South African canned apricots, and ranked 7th within the largest export market in January 2005.

FRUIT MIXTURES

Exports for fruit mixtures reached a total 1,806 MT in January 2005, a 16% increase from January 2004. Major export destinations were Canada (597 MT), Japan (223 MT), Australia (212 MT), the United Kingdom (128 MT), and Switzerland (123 MT). The U.S. ranked 13th as South Africa's major export destination with about 34 MT.

Trade Subcategory

EXPORT TABLES (JANUARY – DECEMBER)

| South Africa, Republic of Peaches, Canned | | | |
|--|---------------|--------------|---------------|
| Time Period | Jan-Dec | Units: MT | Jan - Dec |
| Exports for: | 2003 | | 2004 |
| U.S. | 7,656 | U.S. | 2,283 |
| Others | | Others | |
| Japan | 17,208 | Japan | 14,900 |
| Germany | 10,871 | Thailand | 6,627 |
| U.K. | 6,528 | Germany | 6,110 |
| Canada | 3,700 | Hong Kong | 5,852 |
| Switzerland | 3,111 | U.K. | 5,436 |
| Korea, South | 2,079 | Netherlands | 4,873 |
| Netherlands | 1,821 | Switzerland | 3,249 |
| Belgium | 1,796 | Australia | 2,810 |
| Taiwan | 1,678 | Canada | 2,638 |
| Italy | 1,535 | Korea, South | 2,031 |
| Total for Others | 50327 | | 54526 |
| Others not Listed | 19,185 | | 13,713 |
| Grand Total | 77168 | | 70522 |

Source: WTA

| South Africa, Republic of Pears, Canned | | | |
|--|--------------|-------------|--------------|
| Time Period | Jan-Dec | Units: MT | Jan - Dec |
| Exports for: | 2003 | | 2004 |
| U.S. | 2,802 | U.S. | 697 |
| Others | | Others | |
| Germany | 4,609 | U.K. | 6,384 |
| U.K. | 4,329 | Japan | 3,852 |
| Japan | 3,686 | Germany | 2,932 |
| Netherlands | 3,002 | Thailand | 2,260 |
| Canada | 2,312 | Switzerland | 1,712 |
| Switzerland | 2,208 | Belgium | 1,076 |
| Belgium | 1,610 | Canada | 1,026 |
| Thailand | 1,197 | France | 1,024 |
| Hong Kong | 839 | Netherlands | 847 |
| Austria | 612 | Australia | 654 |
| Total for Others | 24404 | | 21767 |
| Others not Listed | 2,259 | | 2,869 |
| Grand Total | 29465 | | 25333 |

Source: WTA

| South Africa, Republic of Canned Apricots | | | |
|--|--------------|-------------|--------------|
| Time Period | Jan-Dec | Units: | MT |
| Exports for: | 2003 | | 2004 |
| U.S. | 177 | U.S. | 156 |
| Others | | Others | |
| Germany | 10,995 | Germany | 7,690 |
| U.K. | 2,526 | Netherlands | 3,116 |
| Japan | 2,077 | U.K. | 2,852 |
| Netherlands | 1,180 | Australia | 2,673 |
| Belgium | 908 | Japan | 1,713 |
| Austria | 853 | New Zealand | 1,299 |
| Switzerland | 771 | Switzerland | 1,137 |
| Italy | 681 | Belgium | 848 |
| France | 605 | France | 810 |
| New Zealand | 530 | Israel | 742 |
| Total for Others | 21126 | | 22880 |
| Others not Listed | 2,293 | | 3,067 |
| Grand Total | 23596 | | 26103 |

Source: WTA

| South Africa, Republic of Canned Mixtures | | | |
|--|--------------|-------------|--------------|
| Time Period | Jan - Dec | Units: MT | Jan - Dec |
| Exports for: | 2003 | | 2004 |
| U.S. | 872 | U.S. | 785 |
| Others | | Others | |
| Japan | 5,443 | Japan | 5,809 |
| U.K. | 4,603 | U.K. | 2,814 |
| Germany | 3,848 | Canada | 2,552 |
| Switzerland | 2,976 | Switzerland | 2,501 |
| Canada | 2,794 | Singapore | 1,823 |
| Austria | 1,929 | Germany | 1,788 |
| Belgium | 1,425 | Austria | 1,636 |
| Netherlands | 1,190 | Belgium | 1,572 |
| Philippines | 1,181 | Australia | 940 |
| Hong Kong | 1,065 | Netherlands | 935 |
| Total for Others | 26454 | | 22370 |
| Others not Listed | 7,921 | | 8,221 |
| Grand Total | 35247 | | 31376 |

Source: WTA

IMPORT TABLES (JANUARY – DECEMBER)

| South Africa, Republic of Peaches, Canned | | | |
|--|----------|-------------|------------|
| Time Period | Jan-Dec | Units: MT | Jan - Dec |
| Imports for: | 2003 | | 2004 |
| U.S. | 0 | U.S. | 40 |
| Others | | Others | |
| China | 3 | Greece | 418 |
| | | China | 24 |
| Total for Others | 3 | | 442 |
| Others not Listed | 0 | | |
| Grand Total | 3 | | 482 |

Source: WTA

| South Africa, Republic of Pears, Canned | | | |
|--|----------|-------------|-----------|
| Time Period | Jan-Dec | Units: MT | Jan - Dec |
| Imports for: | 2003 | | 2004 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| Spain | 6 | Spain | 21 |
| Lebanon | 2 | | |
| Total for Others | 8 | | 21 |
| Others not Listed | 0 | | 0 |
| Grand Total | 8 | | 21 |

Source: WTA

| South Africa, Republic of Canned Apricots | | | |
|--|-----------|-------------|-----------|
| Time Period | Jan-Dec | Units: MT | Jan - Dec |
| Imports for: | 2003 | | 2004 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| China | 19 | China | 17 |
| Belgium | 19 | Greece | 5 |
| Australia | 2 | New Zealand | 4 |
| Saudi Arabia | 2 | Italy | 1 |
| Lebanon | 1 | Australia | 1 |
| Total for Others | 43 | | 28 |
| Others not Listed | 0 | | 1 |
| Grand Total | 43 | | 29 |

Source; WTA

| South Africa, Republic of Canned Mixtures | | | |
|--|------------|-------------|------------|
| Time Period | Jan - Dec | Units: MT | Jan - Dec |
| Imports for: | 2003 | | 2004 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| Turkey | 99 | China | 87 |
| Lebanon | 13 | Netherlands | 16 |
| Thailand | 3 | Greece | 5 |
| | | New Zealand | 4 |
| | | India | 1 |
| Total for Others | 115 | | 113 |
| Others not Listed | 0 | | 0 |
| Grand Total | 115 | | 113 |

Source: WTA

Policy

In February 18, 2005, the government's gazette published a new regulation relating to the grading, packing and marking of canned fruit intended for local sale. The new rule is regulated under the Agricultural Product Standard Act of 1990. Imported canned food products should also comply with the new legislation, which is expected for implementation three months after the date of publication. Below are some of the specific requirements of the rule:

Restrictions on the sale of canned fruit

Canned fruit should comply with the applicable grades for each canned fruit product. All grades of canned fruit should be prepared from sound, fresh, clean and washed fruit, and be free from any foreign substances, excluding extraneous vegetable matter and permitted food additives. Grades should be either - extra choice, choice, standard, substandard, or manufacturer, and should comply with the specific quality standards *per* product.

Canned fruit packs should be presented as either regular - consisting of fruit packed in a packing medium; heavy - consisting of crushed style fruit with/without sweetening ingredients and consisting of at least 73% drained mass; or solid - consisting of all fruit with very little or no free flowing liquid. Any other presentation of the canned product shall be permitted provided that it is sufficiently distinctive from other forms; meets all other requirements of the regulations and closely resembles that particular style, or is adequately described on the label to avoid confusing/misleading the consumer.

The packing media should be either water – as a sole medium; water and juice(s) – water and juice from the from the same fruit or water and any other single/more juices combined in any proportion to form a packing medium; or fruit juice(s) – juice from the same fruit or compatible fruit as the sole medium/ two to more compatible fruit juices combined to form the packing medium. If more juices are mixed, the juices should be pulpy, turbid or clear. The packing media should be declared as one of the following - “packed in water”; “in water”; packed in water and ‘x’ juice(s); “in water and ‘x’ juice(s); packed in ‘x’ juice(s); or “in ‘x’ juice(s) where ‘x’ indicates the name (s) of the specific juice (s). The packing medium may contain permitted nutritive sweeteners or non-nutritive sweeteners and flavorants. The packing media having permitted nutritive sweeteners should further be classified as very light syrup (9 degree Brix but less than 14 degree Brix); light syrup (14 degree Brix but less than 18 degree Brix); Syrup (16 degree Brix but less than 20 degree Brix); heavy syrup (not less than 18 degree Brix). Any product addition should comply with the limits, unless 33.3% of containers in an inspection sample may deviate by 1 degree Brix. The packing medium with permitted non-nutritive sweeteners should be declared as “packed in water sweetened with non-nutritive sweeteners”, “in water sweetened with non-nutritive sweeteners”, “packed in water with ‘x’ ”, or “in water sweetened with ‘x’, where ‘x’ indicates the name (s) of the specific non-nutritive sweetener(s).

Containers for canned fruit should be intact, clean, suitable and strong enough for the packaging and normal handling of the canned, and re-usable containers sterilized. Containers should also be rust-free with no serious dents or disorders that may be detrimental to the product quality; not emits any undesirable taste/odour to the product; and Should be closed properly and in a manner permitted by its nature.

Canned fruit of different kinds, grades, or styles should not be packed in the same container or outer container, unless otherwise specified within the regulations. The Manufacturer’s Grade should be packed in A10 or larger containers. The composition of the unspecified canned fruit mixes should be listed in descending order and sent together with the proposed quality standards, to the Executive Officer for approval.

Canned fruit containers should be clearly and legibly marked or labeled with – A code mark indicating the name of the canning industry, the product, and the date of manufacturer - and approved by the Executive Officer; the name of the trade mark of the manufacturer/packer; the physical address of the manufacturer/packer; a panel indicating true description of the contents and ingredients; A product name declaring the packing medium or the packing medium in close proximity to the product name; the grade, unless “Caterers Grade” is used instead of “Manufacturers Grade”; the net mass of the contents as required by the Trade Metrology Act, 1973; “Product of” followed by the full name and country of origin. An outer container should indicate the number of containers packed. Additional information can be accessed at: www.nda.agric.za

Policy Subcategory

The Agricultural processors held a meeting in December 2004 with the aim of forming an association by January 2005, the Agricultural Processors Association that should be a Section 21 Company that is expected for registration in January 2005, to deal with common issues like Agri-BEE and the international trade. However, the Canning Fruit Association is not joined as members. Other most important issues currently affecting the Canning Fruit industry are the Agri-Bee Program and the Food Industry Plan.

Marketing

The continuous devaluation of the Rand caused two of the largest canning industries, Ashton and Tiger Foods to consider a merge. The two companies are in the process of handling logistics for the merge.

Marketing Subcategory

Price expectations for canned fruit exports to the EU are good for 2004/2005 because of the expected lower level of deciduous fruit in that market. However, the total volume of canned fruit exported will be influenced by the lower production because of the drought.